

0974 California Pollution Control Financing Authority

California Pollution Control Financing Authority (CPCFA) is committed to stimulating local economies in California by making capital more accessible to small businesses, and delivering innovative financing for projects that protect and restore the environment. CPCFA was founded in 1973 to assist the solid waste, recycling, water, and wastewater industries through its Pollution Control Tax-Exempt Bond Program. Over the last twenty years, CPCFA has evolved to provide financing assistance to California's small business sector through its California Capital Access Program (CalCAP), and to promote the reuse and redevelopment of brownfields through the California Recycle Underutilized Sites Program (CALReUSE).

CPCFA consists of the State Treasurer (Chairperson), the State Controller, and the Director of the Department of Finance.

3-YR EXPENDITURES AND POSITIONS

		Positions			Expenditures		
		2014-15	2015-16	2016-17	2014-15*	2015-16*	2016-17*
0860	Pollution Control Tax-Exempt Bond Program	3.5	3.0	3.0	\$739	\$556	\$557
0865	Capital Access Program for Small Businesses	12.4	13.0	13.0	11,702	42,581	31,478
0870	California Recycle Underutilized Sites Program	6.2	7.1	7.1	1,566	8,254	19,327
0876	California Capital Access Program for Compliance with the Americans with Disabilities Act	-	-	-	-	10,000	-
TOTALS, POSITIONS AND EXPENDITURES (All Programs)		22.1	23.1	23.1	\$14,007	\$61,391	\$51,362
FUNDING					2014-15*	2015-16*	2016-17*
0001	General Fund				\$-	\$10,000	\$-
0890	Federal Trust Fund				-	28,666	28,666
0930	Pollution Control Financing Authority Fund				14,007	22,725	22,696
TOTALS, EXPENDITURES, ALL FUNDS					\$14,007	\$61,391	\$51,362

LEGAL CITATIONS AND AUTHORITY

DEPARTMENT AUTHORITY

Health and Safety Code Sections 44500-44563.

DETAILED BUDGET ADJUSTMENTS

		2015-16*			2016-17*		
		General Fund	Other Funds	Positions	General Fund	Other Funds	Positions
Workload Budget Adjustments							
Other Workload Budget Adjustments							
• Expenditure by Category Redistribution		\$-	\$347	-	\$-	\$347	-
• Credit enhancement funding for small businesses (AB 1230)		10,000	-	-	-	-	-
• Miscellaneous Baseline Adjustments		-	139	1.0	-	139	1.0
• Salary Adjustments		-	39	-	-	39	-
• Benefit Adjustments		-	18	-	-	22	-
• Retirement Rate Adjustments		-	14	-	-	14	-
• Pro Rata		-	-	-	-	-33	-
• Budget Position Transparency		-	-347	-5.7	-	-347	-5.7
Totals, Other Workload Budget Adjustments		\$10,000	\$210	-4.7	\$-	\$181	-4.7
Totals, Workload Budget Adjustments		\$10,000	\$210	-4.7	\$-	\$181	-4.7
Totals, Budget Adjustments		\$10,000	\$210	-4.7	\$-	\$181	-4.7

PROGRAM DESCRIPTIONS

0860 - POLLUTION CONTROL TAX-EXEMPT BOND PROGRAM

* Dollars in thousands, except in Salary Range. Numbers may not add or match to other statements due to rounding of budget details.

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The objective of this program is to provide bond financing to California businesses, irrespective of company size, for the acquisition, construction, or installation of qualified pollution control, waste disposal, water furnishing, wastewater treatment, waste recovery facilities, and the acquisition and installation of new equipment. Tax-exempt financing issued by CPCFA assists municipalities in complying with waste diversion mandates of the California Integrated Waste Management Act of 1989. As of June 30, 2015, bonds totaling approximately \$14.4 billion have been issued by CPCFA.

0865 - CALIFORNIA CAPITAL ACCESS PROGRAM (CalCAP) FOR SMALL BUSINESSES

The objective of this program is to encourage banks and other financial institutions to make loans to small businesses. CalCAP for Small Businesses is a form of loan portfolio insurance that may provide up to 100 percent coverage on certain loan defaults. By participating in CalCAP, lenders have available to them a proven financing mechanism to meet the financing needs of California's small businesses. The strength of CalCAP rests in its simplicity and its leverage of federal and state funds. The program works through the creation of a loan loss-reserve fund for each participating financial institution. The CPCFA funds this reserve together with the financial institution and the borrower. Additional incentives are provided to lend to businesses located in specified economically depressed areas. The reserve serves to reduce loan-loss risk, allowing banks to lend to targeted California small businesses. Chapter 731, Statutes of 2010, appropriated \$6 million General Fund to CalCAP to increase lending efforts. As of June 30, 2015, approximately \$2.6 million of the \$6 million has been used to assist small businesses.

In addition, California was awarded an allocation of federal funds in the amount of \$168.6 million from the federal State Small Business Credit Initiative (SSBCI). CPCFA and the Governor's Office of Business and Economic Development (Go-BIZ) equally share this allocation and have available \$84.3 million each. These funds have enabled CPCFA to significantly expand the availability of its CalCAP program statewide. In addition, in the first quarter of 2013, CPCFA launched the Collateral Support Program to assist more small businesses and utilize the SSBCI Federal funds. The funds are allocated to California in three installments based on program progress, with CPCFA receiving approximately \$27 million in March 2011, \$27 million in December 2013, and \$29 million in August 2015.

Utilizing the CalCAP model, CPCFA has partnered with the Air Resources Board (ARB) to assist diesel truck and equipment owners in meeting new clean air requirements by directing a total of \$70 million in Air Quality Improvement Program funds towards the purchase or retrofit of diesel trucks to comply with ARB's Statewide Truck and Bus Rule. CPCFA has also partnered with the California Energy Commission to implement a \$2 million pilot program to provide credit enhancements and rebates to small businesses borrowers who install electric vehicle charging stations. Similarly, CPCFA is partnering with the Department of Resources, Recycling, and Recovery to assist with the financing of important state recycling objectives.

0870 - CALIFORNIA RECYCLE UNDERUTILIZED SITES (CALReUSE) PROGRAM

The CALReUSE program assists with the reuse and redevelopment of underutilized properties with real or perceived contamination issues (brownfields). CALReUSE addresses a funding and information gap in the development of brownfields to help bring these properties into productive reuse. Beginning in 2000, the CALReUSE Assessment Program provided forgivable loans of up to \$300,000 per brownfield site. The funds assisted with brownfield site assessment and characterization, technical assistance, remedial action plans and site access. Eligible projects included sites with potential beneficial reuse not currently redeveloped due to lack of information about real or perceived contamination, uncertainty about clean-up costs, or concerns regarding time frames and the regulatory process.

Additionally, Proposition 1C, the Housing and Emergency Shelter Trust Fund Act of 2006, included provisions to fund brownfield cleanup that resulted in the expansion of CALReUSE. The CALReUSE Remediation Program received \$60 million in Proposition 1C funds and is providing up to \$5 million per project in loans and grants for the purpose of brownfield cleanup that promotes infill residential and mixed-used development, including affordable housing, consistent with regional and local land use plans.

0875 - ALTERNATIVE FINANCING PROGRAMS

Under its authority to provide alternative methods of financing facilities for pollution control, clean water supply and alternative energy production, CPCFA is developing alternative financing models to assist sister agencies with achieving the state's environmental goals. CPCFA is authorized to receive and accept contributions from other sources including federal and state agencies to carry out the purposes of its statutory authority.

0876 - CALIFORNIA CAPITAL ACCESS PROGRAM (CalCAP) FOR COMPLIANCE WITH THE AMERICANS WITH DISABILITIES ACT

The objective of this program, created by Chapter 787, Statutes of 2015 (AB 1230), is to help small businesses comply with the federal Americans with Disabilities Act and increase access for their employees and customers by encouraging lenders and other financial institutions to make loans to very small businesses to finance tenant improvements. The Legislature provided CPCFA a continuous appropriation of \$10 million effective January 1, 2016 to administer a credit enhancement program following the CalCAP model and create loan loss reserve accounts for lenders that enroll qualifying loans into the program.

DETAILED EXPENDITURES BY PROGRAM

	2014-15*	2015-16*	2016-17*
PROGRAM REQUIREMENTS			

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		<u>2014-15*</u>	<u>2015-16*</u>	<u>2016-17*</u>
0860	POLLUTION CONTROL TAX-EXEMPT BOND PROGRAM			
	State Operations:			
0930	Pollution Control Financing Authority Fund	<u>\$739</u>	<u>\$556</u>	<u>\$557</u>
	Totals, State Operations	\$739	\$556	\$557
	PROGRAM REQUIREMENTS			
0865	CAPITAL ACCESS PROGRAM FOR SMALL BUSINESSES			
	State Operations:			
0930	Pollution Control Financing Authority Fund	<u>\$11,702</u>	<u>\$2,915</u>	<u>\$2,812</u>
	Totals, State Operations	\$11,702	\$2,915	\$2,812
	Local Assistance:			
0890	Federal Trust Fund	<u>\$-</u>	<u>\$28,666</u>	<u>\$28,666</u>
0930	Pollution Control Financing Authority Fund	<u>-</u>	<u>11,000</u>	<u>-</u>
	Totals, Local Assistance	\$-	\$39,666	\$28,666
	PROGRAM REQUIREMENTS			
0870	CALIFORNIA RECYCLE UNDERUTILIZED SITES PROGRAM			
	State Operations:			
0930	Pollution Control Financing Authority Fund	<u>\$1,566</u>	<u>\$1,254</u>	<u>\$19,327</u>
	Totals, State Operations	\$1,566	\$1,254	\$19,327
	Local Assistance:			
0930	Pollution Control Financing Authority Fund	<u>\$-</u>	<u>\$7,000</u>	<u>\$-</u>
	Totals, Local Assistance	\$-	\$7,000	\$-
	PROGRAM REQUIREMENTS			
0876	CALIFORNIA CAPITAL ACCESS PROGRAM FOR COMPLIANCE WITH THE AMERICANS WITH DISABILITIES ACT			
	Local Assistance:			
0001	General Fund	<u>\$-</u>	<u>\$10,000</u>	<u>\$-</u>
	Totals, Local Assistance	\$-	\$10,000	\$-
	TOTALS, EXPENDITURES			
	State Operations	14,007	4,725	22,696
	Local Assistance	<u>-</u>	<u>56,666</u>	<u>28,666</u>
	Totals, Expenditures	\$14,007	\$61,391	\$51,362

EXPENDITURES BY CATEGORY

	1 State Operations					
	Positions			Expenditures		
	<u>2014-15</u>	<u>2015-16</u>	<u>2016-17</u>	<u>2014-15*</u>	<u>2015-16*</u>	<u>2016-17*</u>
PERSONAL SERVICES						
Baseline Positions	24.8	27.8	27.8	\$1,476	\$1,617	\$1,617
Budget Position Transparency	-	-5.7	-5.7	-	-347	-347
Total Adjustments	<u>-2.7</u>	<u>1.0</u>	<u>1.0</u>	<u>-177</u>	<u>116</u>	<u>116</u>
Net Totals, Salaries and Wages	22.1	23.1	23.1	\$1,299	\$1,386	\$1,386
Staff Benefits	<u>-</u>	<u>-</u>	<u>-</u>	<u>590</u>	<u>761</u>	<u>765</u>
Totals, Personal Services	22.1	23.1	23.1	\$1,889	\$2,147	\$2,151
OPERATING EXPENSES AND EQUIPMENT				\$1,632	\$2,578	\$20,545

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1 State Operations	Positions			Expenditures		
	2014-15	2015-16	2016-17	2014-15*	2015-16*	2016-17*
SPECIAL ITEMS OF EXPENSES				10,486	-	-
TOTALS, POSITIONS AND EXPENDITURES, ALL FUNDS (State Operations)				\$14,007	\$4,725	\$22,696

2 Local Assistance	Expenditures		
	2014-15*	2015-16*	2016-17*
Grants and Subventions - Governmental	\$-	\$46,666	\$28,666
Other Special Items of Expense	-	10,000	-
TOTALS, EXPENDITURES, ALL FUNDS (Local Assistance)	\$-	\$56,666	\$28,666

DETAIL OF APPROPRIATIONS AND ADJUSTMENTS

1 STATE OPERATIONS	2014-15*	2015-16*	2016-17*
0930 Pollution Control Financing Authority Fund			
APPROPRIATIONS			
Health and Safety Code section 44526	\$19,799	\$2,393	\$20,573
Adjustment for current service level	127	-	-
Allocation for employee compensation	14	19	-
Allocation for staff benefits	6	9	-
Budget Position Transparency	-	-160	-
Expenditure by Category Redistribution	-	160	-
Past year adjustments	-17,471	-	-
Pro Rata adjustment	-190	-	-
Section 3.60 pension contribution adjustment	20	6	-
Health and Safety Code section 44526 (California Capital Access Program for Small Businesses)	1,839	2,121	2,123
Add position for CalCAP	-	140	-
Adjustment for current service level	63	-	-
Allocation for employee compensation	14	20	-
Allocation for staff benefits	6	9	-
Budget Position Transparency	-	-187	-
Expenditure by Category Redistribution	-	187	-
Past year adjustments	9,758	-	-
Section 3.60 pension contribution adjustment	22	8	-
TOTALS, EXPENDITURES	\$14,007	\$4,725	\$22,696
Total Expenditures, All Funds, (State Operations)	\$14,007	\$4,725	\$22,696

2 LOCAL ASSISTANCE	2014-15*	2015-16*	2016-17*
0001 General Fund			
APPROPRIATIONS			
Credit enhancement funding for small businesses (AB 1230)	-	\$10,000	-
TOTALS, EXPENDITURES	\$-	\$10,000	\$-
0890 Federal Trust Fund			
APPROPRIATIONS			
Health and Safety Code section 44526 (e) and (f)	\$28,666	\$28,666	\$28,666
Past year adjustments	-28,666	-	-
TOTALS, EXPENDITURES	\$-	\$28,666	\$28,666

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2 LOCAL ASSISTANCE	2014-15*	2015-16*	2016-17*
0930 Pollution Control Financing Authority Fund			
APPROPRIATIONS			
Health and Safety Code section 44526	-	\$18,000	-
TOTALS, EXPENDITURES	\$-	\$18,000	\$-
8098 California Americans with Disabilities Act Small Business Capital Access Loan Program Fund			
APPROPRIATIONS			
Credit enhancement funding for small businesses (AB 1230)	-	\$10,000	-
TOTALS, EXPENDITURES	\$-	\$10,000	\$-
Less funding provided by General Fund	-	-10,000	-
NET TOTALS, EXPENDITURES	\$-	\$-	\$-
Total Expenditures, All Funds, (Local Assistance)	\$0	\$56,666	\$28,666
TOTALS, EXPENDITURES, ALL FUNDS (State Operations and Local Assistance)	\$14,007	\$61,391	\$51,362

CHANGES IN AUTHORIZED POSITIONS

	Positions			Expenditures		
	2014-15	2015-16	2016-17	2014-15*	2015-16*	2016-17*
Baseline Positions	24.8	27.8	27.8	\$1,476	\$1,617	\$1,617
Budget Position Transparency	-	-5.7	-5.7	-	-347	-347
Salary and Other Adjustments	<u>-2.7</u>	<u>1.0</u>	<u>1.0</u>	<u>-177</u>	<u>116</u>	<u>116</u>
Totals, Adjustments	<u>-2.7</u>	<u>-4.7</u>	<u>-4.7</u>	<u>-\$177</u>	<u>-\$231</u>	<u>-\$231</u>
TOTALS, SALARIES AND WAGES	22.1	23.1	23.1	\$1,299	\$1,386	\$1,386

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